

# Employment of Foreign Nationals in IRAN

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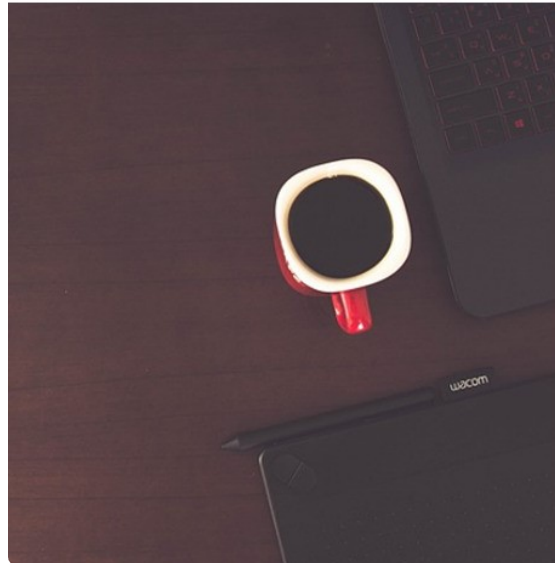
## Introduction

Foreign nationals are prohibited from working in Iran unless they receive work permit (even if they are supposed to receive wage and salary outside the Iranian territory). The work permit serves as the employment license for the foreign nationals in Iran.

The work permit for the employment of foreign nationals in Iran is issued by the “Department General for Employment of Foreign Nationals” (also called Department for Employment of Expatriates) of the Ministry of Cooperatives, Labor and Social Welfare upon a request by Iranian employers. In provincial capitals, it is issued by the Foreign Citizens Divisions of the Department General of Cooperatives, Labor and Social Welfare. Iranian employers are obligated to seek the permission of the Department General for Employment of Foreign Nationals before concluding any contract that may lead to the employment of foreign citizens in Iran. The rules and regulations for acquiring work permit for the foreign nationals are available in the Labor Law of the Islamic Republic of Iran, ratified in 1990 (articles 120 through 129 and executive bylaw of Article 129). Although due to abundance of educated job-seekers in the country and for the purpose of reducing unemployment rate of the educated and skilled job-seekers the Technical Board for Employment of Foreign Nationals has strict rules and regulations (stipulated in Article 121 of Labor Law) for issuance of work permits, the Foreign Investment Promotion and Protection Act (FIPPA), passed in 2002, has considered promising provisions for issuance of work permits for foreign investors, managers and experts in relation with the investments under FIPPA.

In general, a work permit will be issued to a foreign worker only if there are no Iranians having the same level of education or expertise. Foreigners cannot apply for a work permit on their own, unless they establish a legal entity in Iran. Employers need to submit their request and documents as are listed and announced by the Department General for Employment of Foreign Nationals for verification. This list normally requires identification documents of applicant including resume and expertise documents, letter of request from the employer attached with company official documents (registration notice, latest changes, chart and etc.). Few forms including a letter of commitment should also be filled up and signed by employer and employee. Sometimes the Department invites the employee for an interview before issuance of his/her work permit.

## Procedure of Applying for a Work Permit



## Obtaining Work Permit under Foreign Investment Promotion and Protection Act (FIPPA)



By virtue of Article 35 of the Executive Bylaw of FIPPA:

“The relevant executive agencies, including but not limited to, the Ministry of Foreign Affairs, the Ministry of Interior, the Ministry of Labor and Social Affairs [since 2011 and after merging of ministries, the Ministry of Cooperatives, Labor and Social Welfare] and the Disciplinary Forces of the Islamic Republic of Iran (the Police) are required to proceed with the issuance of visas, residence permits and work permits for foreign investors, directors, experts and their immediate family members in relation to the investments covered by FIPPA, at the request of the Investment Organization confirming their status as investors...”

The work permits of foreign nationals is issued, extended or renewed for a period of one year.

## Validity of Work Permit

According to the executive directive to FIPPA, the Ministry of Foreign Affairs has an obligation to ask Iranian embassies to issue a single or a multiple-entry visa clearance (with a validity of three years) and a three-month residence permit upon receiving a request from the Organization for Investment Economic and Technical Assistance of Iran (OIETAI), which is also in charge of issuing a FIPPA license for foreign investors. People who enter in Iran using this type of visa can obtain a three year residence permit and will get a work permit, which is valid for one year but is renewable once the FIPPA license of the investor is issued.



### Extension of Work Permit



Upon expiry of the work permit, if the Iranian employer still needs the specialty of expatriate, he can apply for the extension of the work permit of his foreign laborer or expert. The application is sent to the Technical Board for Employment and upon approval the permit is extended for a period of one year.

Foreign nationals with valid work permits whose contracts with employer become null and void for any reason, will be subject to renewal of work permit after changing the employer.

The renewal of work permit – upon the change in employer or the type of work – will be carried out by the responsible divisions of the Ministry of Cooperatives, Labor and Social Welfare after the approval of the Technical Board for Employment of Foreign Nationals.

### Renewal of Work Permit





## Nullification of Work Permits

In cases where for any reason the employment relation between the Iranian employer and foreign national is terminated, the employer is obligated to within 15 days report the procedure to the responsible divisions of the Ministry of Cooperatives, Labor and Social Welfare for nullification of the work permit. Similarly, the foreign nationals are obligated to within 15 days deliver the work permit to the Ministry of Cooperatives, Labor and Social Welfare against a receipt. Law has stipulated punishments for those violating the rules and regulations.

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The information provided in this Newsletter is not a substitute for legal advice. Readers should be advised that if they have questions about Iran's laws and regulations, they should seek advice of competent counsel specializing in related area.

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